



United States Department of Agriculture
Risk Management Agency

February 2005

2005 COMMODITY INSURANCE FACT SHEET

Grapes

North Carolina

Crop Insured

Insurable grapes will be the Muscadine grape varieties grown for wine or juice, provided that the vines have (1) reached the fourth growing season after being set out and (2) produced an average of 2 tons per acre in at least one of the three most recent crop years. A vineyard inspection to determine insurability will be required for all new policyholders. Varieties other than Muscadine may be considered for coverage under an individual written agreement.

Note: Grapes grown for fresh market consumption (for example, table grapes) are not insurable under this policy.

Counties Available

Grapes are insurable in Bladen county. Grapes may be insurable in other counties by written agreement if specific criteria are met. Contact an agent for more details.

Causes of Loss

Adverse weather conditions¹

Fire

Insects²

Plant disease²

Wildlife

¹Natural perils such as hail, frost, freeze, wind, drought, or excess moisture. ²Damage due to insufficient or improper application of control measures is not covered.

Note: This policy does not cover the inability to market the grapes for any reason other than actual physical damage from an insurable cause of loss.

Insurance Period

Coverage normally begins on November 21 and ends at the earliest of: (1) total destruction of the grapes, (2) harvest of the crop, (3) abandonment of the vineyard, (4) final adjustment of a loss, (5) the following November 20.

Reporting Requirements

Acreage Report—An acreage report is due to your agent by the date shown below under Important Dates to include all acreage (insurable and uninsurable) in which you have a share.

Notice of Claim

- If crop damage occurs, you must give notice within 72 hours of initial discovery of damage.
- If crop is damaged during growing season and you previously gave notice, you also must provide notice at least 15 days before beginning harvest if you intend to claim an indemnity.
- If crop will not be harvested, you must give notice within 3 days of the date harvest should have started.

Production Report—Required by date shown below and must include a production report for the previous year; number and ages of bearing vines, any changes that may adversely impact yield potential (for example, vine damage or removal, or change in cultural practices); other information as required by the policy.

Important Dates

Sales Closing	November 20, 2004
Production Report Due	January 4, 2005
Acreage Report Due	January 15, 2005
Premium Billing	September 15, 2005

Definitions

Average APH Yield—Your average yield per acre based on your actual production history (APH) or other adjusted yields if appropriate.

Production Guarantee—Number of tons guaranteed determined by multiplying your average

yield (based on your records) times the coverage level percentage you elect.

Price Election— An established price used to calculate your premium and indemnity.

Coverage Levels and Premium Subsidies

Coverage level options range from 50 to 75 percent of your average yield and are subsidized as shown in the table below. As an example, an average yield of 4 tons per acre results in a guarantee of 2 tons per acre at the 50-percent coverage level.

Item	Percent					
Coverage Level	50	55	60	65	70	75
Premium Subsidy	67	64	64	59	59	55
Your Premium Share	33	36	36	41	41	45

Catastrophic (CAT) coverage is fixed at 50 percent of average yield and 55 percent of the price election. CAT is 100% subsidized with no premium cost to you except for an administrative fee of \$100, regardless of the acreage.

Price Election

\$300 per ton

Price elections are posted on the RMA website at:

<http://www3.rma.usda.gov/apps/pricesinquiry/>

Loss Example

This example assumes 65-percent coverage level, average APH yield of 3 tons per acre, non-irrigated, basic units.

3	Tons
x .65	Coverage level percentage
2	Tons per acre guarantee
- 1.0	Ton per acre production
1	Ton per acre loss
x \$300	Price election
\$300	Indemnity per acre
- \$18	Estimated producer premium
\$282	Net indemnity per acre

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